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rience be proposed. These European nations cannot now do anything to control the value of silver; the purpose of the commission is at the outset clearly unattended by any visible means of carrying that purpose into effect. The whole proposition seems more naïve still, when the only means open to the silver-using country—the abandonment of the silver standard—has been disavowed from the beginning.

The situation is more forbidding than when the Wolcott commission asked for concessions from India in favor of silver. Since then, exactly the same difficulties now suffered by China and Mexico have been met and overcome by India. India still uses silver as a token coinage, but it has accepted the gold standard. The old fluctuations of exchange between silver-using India and gold-using England have now disappeared under the new régime. The recent extreme fall in the value of silver, for instance, produced no disturbances in India. To escape from their burdens Mexico and China must do what India has done.

All this must seem so plain that one wonders what can be behind the movement. It is possible that when the requests of the United States, through its commissioners to European nations, have been politely declined, the Mexican authorities may be able to guide public opinion at home toward the gold standard, because the hopelessness of rehabilitating silver has been shown so clearly that even the ignorant may understand. The United States may be courteously accompanying Mexico and China to the doctor who is likely to prescribe a difficult surgical operation as the only possible cure.

That the United States should at this moment seriously take the initiative by her own agencies in favor of international action in favor of silver is certainly inexplicable. The agents of this country must again expect to be received with that polite but condescending manner of European diplomats who inwardly wonder that we live so far away from centers of monetary information. It is not easy for them to remember that a presidential election is near at hand.

INDUSTRIAL CONFERENCE.

A NOTEWORTHY collection of papers is presented in the published report of the Industrial Conference held last December in New York city under the auspices of the National Civic Federation. The character of this conference, and its significance as a meeting together of the representatives of labor and capital for the furthering of industrial

peace, have already been sufficiently exploited in the public press, and the high purpose of those participating has received, as it deserves, unstinted commendation. Indeed, the community, eager to accept favorable auguries of peace, has perhaps attached even too great significance to this finely dramatic event. It is being noted with some chagrin that the "plague of strikes" has not to the present moment abated, and while sincerity of motive on the part of those who have been active in the movement for conference and conciliation cannot be on that account in any degree impugned, nevertheless the temper and unrest of wage-earners and wage-payers, as manifested in the disposition to inflict injuries, to take unfair advantages, and to deadlock and inhibit the rendering of economic service generally, makes our progress toward industrial peace seem dubious, and industrial peace conferences themselves even yet a bit spectacular and unreal. The war spirit appears to prevail still, soft words to the contrary notwithstanding. Politically and socially the institutions of private warfare and blood-revenge have been discredited as evidences of barbarism, but the bludgeon still serves as the fine instrument for adjusting differences, and determining justice industrially. On both sides hands are reached out for a firmer grip, and divine right is declared or felt to be upon the side of them who wield the club most effectively. To the utterings of peace and amity these conditions appear to give the lie.

The honest declaration of motive and purpose on the part of influential labor leaders and employers, such as has been made in recent industrial conferences, and more especially at the conference in New York, will, however, go far to mitigate and avoid the evils of this industrial warfare, though the work of staying the scourge of strikes remains to be done by others. The final accomplishment of this end depends, not upon the efforts of a few leaders, but upon the rousing of public sentiment. Our economic development is imposing new issues which are only beginning to be understood. Just in proportion as industry becomes highly organized and the division of labor extends, the interdependency and social character of industrial operations increase, and the proper conduct of any given economic service becomes a social duty, involving more or less directly whole systems of dependent activities. Moreover, as our industrial mechanism is brought to a higher state of perfection, it becomes more sensitive and liable to derangement. The power to inflict injuries which shall be far-reaching in their effects becomes greater and it is more widely disseminated. It is, indeed, extended to those who perform the simplest

industrial services. At the same time the evil consequences of industrial warfare, wherever it is precipitated, are multiplied and distributed throughout the community by the very elaborateness of our industrial organization. The community cannot therefore remain indifferent when labor and capital in any special case have a falling out. Those who have undertaken to do the community's baking and building, or any other industrial service, have assumed social obligations, which they have no right to disregard capriciously—the obligation, namely, to do what they have undertaken to do. Industrial progress itself depends upon the full recognition of this social responsibility. The degree of perfection to which our industrial system can be brought is absolutely determined by the capacity to feel and act socially in performing economic service. In the perfection of the industrial organization there is a point where the economies of further advance and elaboration are more than offset by the increasing susceptibility to serious derangement. This susceptibility increases in proportion as the mechanism becomes highly organized. As the organization of industry has progressed, the accession of power to inflict injury by individuals and organizations engaged in rendering economic service, has been rapid. Should the possession of the power induce unwise use of it, as it has done in the past, our industrial organization must tend to disintegrate and to become primitive. The point at which organization must cease will be forced down indefinitely. This is obviously a matter of social consequence, involving the general welfare, and it is because of the very general violations of these obligations that the community is today forcing the demand for peace, insisting that labor differences be adjusted on some other principle than that involved in the policy of "fighting it out." Any spirit of good-natured toleration and forbearance, indeed, which condones violations of social integrity, and offsets one wrong against another, impairs the power of forming social judgments, obscures the true principle of social action, and is altogether incompatible with social progress. It was very truly said by one member before the Industrial Conference that "the clash of the trust and the trade union is raising new issues for which an enlarged social morality is necessary." The very existence of the labor problem itself depends largely upon our double standard of ethics, upon the failure to extend into the field of industry those simple principles of an enlightened ethics or Christianity in accordance with which individual conduct is universally judged to be right or wrong. The rapid dissemination of power to inflict injury, and the very general disposition

to exercise that power, taken in conjunction with the increasing sensitiveness of our industrial organism to disturbance, have induced a condition in the industrial world of critically unstable equilibrium.

Employers and employees are feeling the severe tension, and are seeking some way of escape from it. This one interest they have in common, and it underlies the movement for industrial conference, to consider ways and means of amicable adjustment of differences. Of these conferences the one held in New York last December is particularly worthy of note. The papers making up the printed report of its proceedings are written by distinguished men of varied social, industrial, and political affiliation, and are on that account of especial interest. In them, moreover, and in the running discussion maintained during the several sessions, the concrete issues which constitute the "labor question" are given definite statement by men who are themselves influential in determining those conditions of employment of which they speak, and who speak, therefore, with the authority of practical experience.

One does not look to find in these discussions any single line of argument long sustained and brought to a definite conclusion. The range of interest is too wide for that. The work of such conferences must necessarily be extensive rather than intensive. It is the expression and conflict of opinion by sincere and able men of diverse habits of thought and practical experience that one seeks. In this intellectual and emotional reaction upon existing economic conditions, economic theories are bound to get rough handling and to be given strangely new practical bearings, while time-worn economic sophistries take a new turn as well. Abstract economic theories, some of them long since discredited among economists, still figure to a remarkable extent in these as in all popular discussions of industrial problems.

The wide diversity of opinions expressed at this conference may be gathered from the following statements regarding the organization of labor into trades unions. The first, quoted from a letter written by one prominently identified with the building trades of Boston is significant owing to the widespread disturbances which have characterized those trades. "My experience," he writes, "has convinced me that labor thoroughly organized and honestly recognized is even more important for the employer than for the workman. It makes possible a working method between the two parties which removes one by one the most dangerous elements of conflict and misunderstanding." The second statement is by a member in attendance

at the conference: "I say to you, gentlemen," he observes, "that I think the days of prosperity have passed away in an industrial sense for England, and largely on account of the trade unions, who have so thoroughly dominated all parts of Britain." Between these extremes every shade of opinion finds expression. The predominating sentiment, however, throughout the discussions is one which accepts the organization of labor as an inevitable condition of the present system of industry, and as likely to prove in the future, if not at the present time, desirable for both employer and employed. Trades unions, it is declared, have come to stay and must be dealt with—the organization of industry must "include labor." This is undoubtedly true and very generally recognized, but it should not be forgotten that labor organizations in the past have been exceedingly short-lived; and that the rate of mortality has been particularly high and rapid among those national affiliations or federations which have acquired the most extensive membership and the most absolute power. Evidences of unrest and dissension among the ranks of trades-unionists are not by any means wanting today. Conflicts of union with union and of local unions with national organizations within a trade, as of trade with trade within the several federations or amalgamations, are not of infrequent occurrence. Indeed, unions of non-union workingmen are now in the field with the avowed purpose of opposing the principle and practices of unionism itself! Finally employers are becoming more united and organized in their opposition to certain trades-union practices. Though the organization of labor be regarded as a perfectly normal, permanently established, and socially desirable industrial development, the character and form of that organization has changed greatly in the past from decade to decade, and is susceptible of indefinite change in the future. In the history of trades unions, it is particularly true, moreover, that pride goeth before a fall. Organized labor should, therefore, find in recent industrial developments warnings against that spirit of overconfidence and headiness which has so often in the past proved fatal to them.

Underlying the discussion of the men met together for conference in New York, marked as it is by great diversity of opinion in detail, there is constantly in evidence a disposition to understand economic conditions and tendencies, and to institute a régime of fairness. On the whole the degree of unanimity of opinion upon certain great issues which are at the present time distracting the community is striking. It is pretty generally admitted, for example, that the

organization of labor, while it is susceptible of great perversion and may through unwise exercise of power by those who are ignorant of economic tendencies and laws hinder industrial development and work irreparable injury to all concerned, is, nevertheless, a fact with which employers must deal, and even a necessary condition of industrial and social progress—a step forward in the organization of industry. Again, all are practically agreed that some amicable method of adjusting difficulties must be adopted. The fighting employer and labor leader are both discredited. The round-table era of conference and agreement between employer and employed must, it is declared, succeed the present era of strikes and lock-outs, though no one undertakes to prophesy just when this succession of a new era is likely to occur, and this is of course an essential matter.

Perhaps, however, the most striking showing is that made with reference to the movement for a shorter working day. The secretary of the Civic Federation sent out to a list of large manufacturers, none of whom operated with less than \$500,000 capital, the following question: "Do you regard it a practical proposition to gradually reduce hours by voluntary uniform agreement through a given industry, providing the employees agree to abandon any arbitrary restriction of output?" To this question 607 out of 920 answers were "yes." Secretary Easley, commenting upon the replies, says: "I have been surprised to find the growing sentiment among large employers in favor of a shorter working day, provided, of course, it would be brought about in a business-like way." It was explained to employers that the agitation for shorter hours was increasing, and that where the question was not settled in any other way an effort was made to secure legislation, and attention was called to the fact that an eight-hour provision in a bill pending in Congress, though vigorously opposed by employers, had received the support of organized labor. There is very general agreement that the hours of labor ought to be reduced, and admission by many employers that this might be done without lowering wages or increasing the cost of production, *provided wage-earners will join hands with employers in an effort to increase their output per hour.*

Employers are urged and evince a disposition to take the initiative in instituting the eight-hour day. The disposition to do this, it may be noted, is characteristic of large rather than of small employers. The small employer is the "sweater" of labor. The small employer depends upon long hours and personal supervision to offset the economic disadvantages of production on a small scale, and any

enforcement of a common rule for the trade—as, for example, of an eight-hour working day—tends to put him out of business. It has been suggested that, as the small employer is the “sweater” of labor, the large employer is the “sweater” of the public or consumer, since he is particularly well able to recoup himself for any increasing cost of production which may result from concessions to labor. A recognition of this fact has indeed gone far to reconcile organized labor to the concentration of capital and the formation of industrial trusts. Organized labor is not, to quote President Gompers of the American Federation of Labor, “ranting against trusts and corporations as such.” “As citizens and men,” he continues, “each has his own view . . . but to the wage-earner and to a trade-union man there are good trusts, or corporations, and there are bad trusts. To us as unionists they are employers of labor, and they are either good, bad, or indifferent.” On the whole, organized labor may be said to have struck hands with organized capital for mutual advantage.

In one other respect organized labor and organized capital are single-minded; namely, in united opposition to any form of compulsory arbitration. On this matter, again, the words of President Gompers may be quoted as expressing fairly the sentiment, not only of organized labor, but of organized capital as well. “If a law,” he declared, “founded upon the points raised by Mr. Adams in his excellent and valuable paper [advocating compulsory investigation] could be framed, and the assurance *positively* felt that there would be no step in the direction of compulsory arbitration, I should gladly give my acquiescence and use what influence I may possess to see that there would be compulsory investigation and simply an opinion rendered. But I, too, know something of the trend of legislative effort, and knowing this I am not inclined to give an assent to what might possibly bring about an awful condition of affairs which I know must inevitably follow in the wake of compulsory arbitration.” As regards government regulation of the hours of labor, however, as may be inferred from what has been already said, there is greater diversity of opinion.

Other important questions which have come before this and other recent conferences concern introduction of machinery, restriction of output, regulation of number of apprentices, incorporation of unions, payment of wages by the piece, premium payments, and wage compacts. The economic theories of distribution developed in these discussions are of particular interest to the economist, especially as

regards the payment of wages. The underlying assumption here is that the payment of high wages is essential in order to create a demand for the products of industry. If wages are low, wage-earners cannot consume these products, which accumulate in the hands of the manufacturers and traders, until the market is oversupplied, and a period of industrial stagnation and crisis unavoidably follows. In general it may be said that, judged in the light of established economic principles, the arguments put forth by representatives of organized labor compare favorably with those of others in attendance at the conferences, and show on the whole as intelligent a grasp of sound economic principles.

At the present time economists take a keen interest in the effort-making on the part of those actively engaged in industrial operations, to apply economic principles to practical problems, and to deduce from those problems themselves what is conceived to be a working economics. Unfortunately economists have devoted themselves so exclusively to the development of their science, even in its less essential refinements, that they have neglected the really essential work of interpretation and application to concrete conditions, of economic principles. As a direct consequence of this neglect and failure to revise the science and relate it to changing conditions, it has tended during the last half-century to become academic and removed from industrial life, so that its teaching is less regarded in the community today than formerly it was. The industrial conference is performing a great service in counter-acting this tendency, and in re-establishing the relationship between theory and practice. Obviously, however, this work of interpreting and applying the science cannot safely be devolved upon those exclusively who are actively engaged in industrial pursuits. The trades-unionist always has his philosophy regarding the organization of labor, the employer his theory of inalienable rights, and the trader his theory of tariff duties; but these are not always, nor often consistent with one another. Moreover, the judgment of each is bound to be discredited as that of an interested party, however honestly rendered. There is the further danger that economic science, developed in the interest of one or another industrial group, and warped by special interests, may become prejudiced and apologetic, thus losing character as a science. The personal and industrial equation becomes too much in evidence. If this tendency of the science to disintegrate into petty utilitarian, rule-o'-thumb trade philosophies is to be resisted, and the dignity and reality of economic law asserted, the trained economist must take upon himself the task of giving sound principles their proper bearing in the

industrial field, and must seek for the premises of his logic in the actual conditions of economic service.

JOHN CUMMINGS.

THE ANN ARBOR CONFERENCE ON THE HIGHER COMMERCIAL EDUCATION.

THE convention of educators and business men called together for conference regarding the present movement for higher commercial education met at Ann Arbor February 5, 6, and 7, 1903, under the auspices of the Michigan Political Science Association.

The opening of the conference was devoted to the usual felicitations. Mr. Arthur C. Hill, the president of the Michigan Political Science Association and the presiding officer of the conference, and President Angell, speaking for the University of Michigan, gave brief addresses of welcome, which were responded to in the formal paper of the opening session read by President Edmund J. James. The specific subject on which President James spoke was "Recent Tendencies in Education as a Result of Social and Industrial Changes." For President James's purposes the period of time covered in his study of tendencies which he characterized as recent was the century beginning, not with 1801, but with about 1818. President James, speaking as an American, preferred to select as his starting-point for a study of the forces which now dominate in our intellectual and commercial life those years which mark definitely the close of the war of 1812; although the treaty of Ghent was signed in 1815, the contemplation of the second war of independence as a fact accomplished did not get full possession of the American public mind, and the upward and forward movement did not set in until two or three years after the war was concluded.

Three facts characterize the period of American history under consideration, and of the world's history, for that matter, corresponding to this period. These three facts are: first, the extraordinary development of wealth made possible by the industrial revolution ushered in by the age of inventions, resulting in the epoch of machine production; secondly, the development of democracy, with its root in the eighteenth-century movement; but should we not rather say its root in the history of Christendom? and, thirdly, the corollary of the other two, the development of general education. The first two facts were used by President James as a background for what he had to say about the recent development of education. The recent development of educa-